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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF BOLIVIA

IPF:(1987-91) $2 700 000

(BOL/89/023) - Project for Agricultural Development "MINKA" Potosi

Date of approval by the AC:[1/]	18 December 1991
Expected duration:	48 months
Proposed executing agency:	Government
Government implementing agency:	Regional Corporation for the Development of Potosi
Third-party cost sharing:	$ 2 491 000 Source of funds: Netherlands
Total UNDP budget:	$ 2 491 000

Project background

Like the rest of the Bolivian Andes the Central region of the Department of Potosi is an area characterized by arid and semi-arid land and little developed infrastructure. Most of the population of Central Potosi which is engaged in subsistence dairy and agricultural farming, receives very limited private investment and is not adequately integrated into the market system. The two droughts that affected the region in the 1980's have accelerated a migratory trend to the cities and to illegal coca-growing regions. This migration is gradually draining the agricultural sector in Potosi of its manpower while at the same time increasing under-employment in the urban areas due to insufficient absorption capacity since Potosi, once a thriving mining city, has been in decline for a long time. Given the urban employment problem, increased migration is taking place to neighboring departments as peasants seek temporary employment in illegal coca-growing areas in order to survive and provide for their families.

In an effort to break the vicious cycle of rural poverty the Government is following a strategy that will increase the income level, reduce rural-urban migration, and contribute to the creation of the necessary conditions to ensure the sustainability of development programs in the rural areas. In this context, priority will be given to the most depressed areas, among them Potosi. At a national level, the Government is investing resources for the development of infrastructure, and conducting programs of social and income generating services. At the regional level, the Regional Corporation for the Development of Potosi (CORDEPO) is working in the North with UNICEF in the project PROANDES, in the South with the International Agricultural Development Fund in a agricultural development project, and in other micro-projects co-financed by the European Economic Community. UNDP has previously provided assistance to this region through an emergency effort in response to the drought

[1/] **This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.**

of 1982-1983 that affected the whole Andean region of Bolivia, and in 1987 under the project (BOL/86/022) Micro-irrigation in Dry-Land Areas. At a supervisory and administrative level CORDEPO has not developed all the capacity required to continue to set policy, administer, evaluate, and monitor implementation. To this end the Government requested UNDP assistance under the present approval.

Description of project

The long-term objectives of the project are to: (a) increase the income level in rural areas; (b) decrease migration to urban centers and coca-growing areas; and (c) ensure the sustainability of agricultural development projects after international assistance has ended.

The immediate objectives of the project are to: (a) provide technical assistance to CORDEPO to decentralize its operational and administrative functions to a sub-regional level; (b) strengthen its management for an efficient administration of projects; (c) provide updated and detailed information on the cost-benefits of the project to participants; (d) build capacity to efficiently co-ordinate with other institutions and projects in the area; (e) implement a Monitoring and Evaluation System that will allow the evaluation of projects from a cost-benefit perspective; (f) train personnel of CORDEPO in project management to ensure sustainability of the project; (g) strengthen the technical capacity of CORDEPO for the identification, evaluation, control, and support for new investment projects in agriculture and rural development; (h) carry out feasibility studies for marketing commercial agricultural products, construction of additional irrigation systems, and continued monitoring of the soil in the region; (i) increase farm production and productivity so as to improve and expand infrastructure; (j) build new irrigation systems and expand or refurbish existing systems; (k) undertake re-forestation construct terraces and defenses to control erosion; (l) provide information and training in production techniques; and (m) refine the Revolving Fund in order to make loans more accessible.

Inputs

UNDP will provide national and international personnel including an expert in marketing (1.5work-months), an agronomist(48work-months), a sociologist(36work-months), an economist(36work-months), a national co-ordinator(48work-months), and eight short-term consultants(42work-months) in administrative systems, plot irrigation, soil management, programs for peasant women, etc.); subcontracts for the construction of terraces and subregional training centers; training programs for personnel of CORDEPO and for the peasants of the region, seminars, workshops, on-site visits, scholarships, and hands-on-training; transportation equipment including a van, two pick-up trucks, a jeep, a retro-excavator, a concrete mixer; equipment for radio-communication, pilot projects for women groups, green houses and re-forestation; equipment and construction materials for the irrigation systems, defenses, terraces; CEMAP's; Revolving Fund; use and maintenance of equipment; and miscellaneous costs.

Financial data

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Personnel	509 800
Subcontract	380 100
Training	117 500
Equipment	1 304 000
Miscellaneous	179 600
Total	2 491 000

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